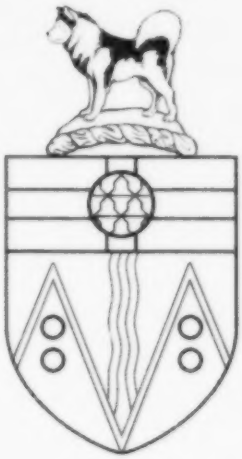

Budget Address
2007 - 2008

presented by

Premier
Dennis Fentie

First session of the Thirty-Second
Yukon Legislative Assembly

Whitehorse, Yukon
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INTRODUCTION

Mr. Speaker, Honourable Members, today it is my honour and privilege to table the 2007-2008 Budget, the first budget of our second mandate.

The Government of Yukon's Capital and Operations and Maintenance Budget for 2007-2008 is $861.7 million.

The Operation and Maintenance Budget totals $ 649.4 million of which $58.5 million is recoverable.

The Capital Budget totals $212.3 million of which $80.3 million is recoverable.

On October 10, 2006, we asked Yukoners to *"Imagine Tomorrow"* by giving us a second mandate to enable our government to implement its election platform, *"Building Yukon's Future Together – A Clear Vision for a Bright Future."*

Yukoners responded by giving us a majority government - the only incumbent government to be returned to office since 1989.

Our 2006 election platform carries on with the direction we established in 2002 and provides Yukoners with political stability and continuity.

Our government's vision to build Yukon's future is based on four major pillars:

- achieving a better quality of life for Yukoners;
- protecting and preserving our environment and wildlife while studying, mitigating and adapting to climate change;
- promoting a strong, diversified private-sector economy; and
- practising good, cooperative governance with strong fiscal management.

Since our re-election last fall, we have been busy working on behalf of Yukoners to turn this vision into reality.

This budget together with the next four successive budgets will be utilized to implement our election commitments over the course of the next five years while we go about *"Building Yukon's Future Together."*

ACHIEVING A BETTER QUALITY OF LIFE FOR YUKONERS

Achieving a better quality of life for Yukoners is the first pillar of our election platform and our government has been working hard to achieve this goal.

We made a pledge to *"make the 2007 Canada Winter Games in Yukon a resounding success and memorable experience for Yukoners and our guests alike that leaves a lasting legacy and provides facilities for future sport venues!"*

Mr. Speaker, with the help of thousands of Yukoners, the Host Society, the City of Whitehorse and the numerous corporate sponsors, this commitment has been met in full.

The 2007 Canada Winter Games have been recognized as the best ever and gave the Yukon, the Northwest Territories and Nunavut the opportunity to showcase the north to southern Canadians.

Hosting the first Canada Games north of 60 is testimony the Yukon has truly *"come of age."*

Yukoners made these Games a huge success and we can't thank them enough.

Building healthy, safe communities is an integral part of achieving a better quality of life.

During the 2006 election campaign we promised Yukoners that there would be zero-tolerance for drug dealers and a focus on treatment and new treatment facilities for their victims.

In November and December of 2006, our government introduced two major enforcement action items from our *Substance Abuse Action Plan*.

The first was the implementation of the *Safer Communities and Neighbourhoods Act* (SCAN) that has provided our government with a way to respond to concerns of Yukoners about illegal activities such as selling illegal drugs that are making our communities and neighbourhoods unsafe.

Since opening, the SCAN office has received over sixty-five complaints, resulting in five evictions under the Act.

Officials in the Department of Justice continue to work with First Nations to ensure that SCAN can be successfully implemented on First Nation settlement lands and that both Yukon and First Nation governments are able to respond with the appropriate services when actions take place.

Mr. Speaker, $400,000 will be spent in this budget on the SCAN office to ensure the safety and security of all Yukoners from the social disorder that is caused by the detrimental effects of drugs and alcohol abuse.

The second action initiative under our *Substance Abuse Action Plan* was the establishment of the RCMP Street Crime Reduction Team which was operational as of April 1, 2007.

The team, consisting of six police officers, a criminal analyst and a communications strategist, is part of a larger coordinated effort to address the visible social disorder that is caused by substance abuse and that detracts from the quality of life of law-abiding Yukoners.

Mr. Speaker, our government has committed to providing approximately $1.5 million of new funding to the RCMP for the next three years for the *RCMP Street Crime Reduction Team.*

On December 08, 2006, the Yukon Forum approved the *Correctional Redevelopment Strategic Plan.*

This plan provides the direction for reaching correctional reform and involves First Nations, non-government organizations and other stakeholders.

As part of this Strategic Plan, the development of options for a new correctional centre is the focus of the 2007-2008 Capital Budget.

A Building Advisory Committee has been established including First Nation and government officials to work through a phased process to determine how corrections should look in the Yukon and identify the appropriate facilities to support this plan.

Mr. Speaker, $3.24 million has been allocated in this budget for the development of the new correctional centre design which will take into account the consultations undertaken over 15 months with First Nations and stakeholders throughout the Yukon.

On the treatment side, the Community Wellness Court is another action initiative resulting from our government's *Substance Abuse Action Plan.*

It is a specialized therapeutic court established to deal with offenders with drug or alcohol addictions, symptoms of FASD and mental health issues.

The court will provide a comprehensive treatment plan that will include judicial supervision, substance abuse treatment, random and frequent drug testing, incentives and sanctions, clinical case management and social services support.

Mr. Speaker, $523,000, is being provided in this budget for the operation of the new Community Wellness Court. $200,000 of these funds are recoverable from the National Crime Prevention Committee.

As well, we are focusing on working with First Nations and non-government organizations to develop more treatment centres and programs.

Mr. Speaker, I might add here that the Department of Education is proceeding to implement another drug deterrent program, the *Canines for Safer Schools Program*, at the Porter Creek Secondary School, thus meeting one more of our platform commitments.

The Women's Directorate in partnership with the Department of Justice is facilitating the design and development of educational materials to raise awareness of family and sexualized violence against women and children in the Yukon.

Phase one and Phase two have been completed of the three-year campaign, with the third phase in 2007-2008 focusing on the production of Yukon-relevant training videos for front-line workers.

The goal is to meet a well-defined need to enhance skill development for effectively working with women and children who have experienced sexualized violence.

Mr. Speaker, the Women's Directorate is providing $108,000 to implement this major initiative.

The Women's Directorate is introducing a new initiative; a $175,000 Women's Equality Funding Program that will enhance the social, legal and economic equality for women and girls.

Organizations will have an opportunity to apply for a three-year contribution agreement for projects that:

- provide direction and programs that support advocacy for women;
- advance women's equality through research and policy development;
- support initiatives that enhance awareness, education and social actions on women's equality issues; and
- support the development and capacity of women's organizations to effectively enhance women's equality in Yukon.

"Educating today for jobs tomorrow" is also a platform commitment.

To this end, our government has increased apprenticeship registration in Yukon's forty-eight designated trades by more than thirty-nine percent in the territory since 2003.

It is also worthy to note that 19 percent of Yukon apprentices are First Nations, which is one of the highest First Nation participation rates in trades training in the country.

This emphasis on apprenticeship programs and trades training is part of our Comprehensive Skills and Trades Training Strategy.

We also committed to providing new incentives to increase the labour pool for entry level jobs in the service and retail industries.

One group being targeted is older workers.

Mr. Speaker, we are pleased to announce that a Targeted Initiative for Older Workers Program will begin in May 2007 and will run for two years in Whitehorse and Yukon communities.

The program will be jointly funded by the Yukon and federal governments and will be delivered by Yukon College. The total cost of the program will be approximately $650,000 over two years..

The Targeted Initiative for Older Workers will recruit 140 individuals between the ages of 55 and 65 who want help developing employment skills.

Another group being targeted is immigrant workers

The Department of Education has allocated $200,000 in this budget to develop, in conjunction with the federal government, an Immigration Portal, an online resource to efficiently provide immigration information to potential immigrants.

Mr. Speaker, we believe that literacy is a fundamental building block of education.

Our government continues to support literacy as a priority and in 2006 through the Literacy Action Committee we funded 136 literacy projects throughout the territory.

It has been said that *"it takes an entire village to raise a child."*

Our government through an allocation of $90,000 is pleased to continue to support and expand the Whole Child Program which focuses on involving students, parents, teachers and community leaders in developing a positive and inclusive education experience for children.

The Whole Child Program has run successfully at the Whitehorse Elementary School for the past five years and was expanded to the Elijah Smith Elementary School last fall.

The Elders in the Schools Program is another innovative program that is unique to each school, accessible to all First Nations in the Yukon and makes the classroom a more culturally relevant and engaging place for all students to learn.

Our government's major Education Reform project is continuing and is designed to identify a common understanding of what our education system needs to accomplish for all Yukoners, including the needs of First Nations.

It will be concluded by next fall.

Mr. Speaker, our government made a platform commitment to support the establishment of the School of Visual Arts in Dawson City in partnership with the Klondike Institute of Arts and Culture, Yukon College and the Tr'ondek Hwech'in First Nation.

Funding of $270,000 has been allocated in this budget to fulfill the commitment to implement the initial foundation year of the school.

"Assisting Elders and Seniors" is an integral part of our commitment to achieve a better quality of life for Yukoners.

Our government is continuing to increase the inventory of affordable housing for elders and seniors.

After consultations with seniors' organizations, the Yukon Housing Corporation has decided to utilize the 48-unit residential complex, which was used for the Athletes Village, for seniors' social housing.

The Seniors' Housing Complex, together with the Yukon College Student Residence, will be a lasting legacy of the 2007 Canada Winter Games.

Mr. Speaker, at the same time the Yukon Housing Corporation is providing $1.8 million in this budget to construct a seniors' affordable housing facility in Haines Junction.

The Department of Health and Social Services is proceeding with the construction of the multi-level care facility in Watson Lake.

The masonry firewall was completed in 2006 and the structural steel erection is about seventy-five percent complete.

Work is underway related to roof insulation, insulated wall panels and concrete floor systems.

Tenders are pending for the roof membrane, windows and doors as well as for exterior grade work and site development.

Our 2006 election platform makes a commitment to support non-government organizations that provide support services to elders and seniors and other Yukoners.

The Department of Health and Social Services is acting on that commitment, Mr. Speaker, by allocating increased funding to NGOs.

Examples include:

- $46,000 for Options for Independence;
- $15,000 for the Line of Life;
- $13,000 for Canadian National Institute for the Blind;
- $5,000 for the Foster Parent Association;
- $103,000 for the Yukon Family Services Association-Outreach Van to expand services; and
- $20,000 per year for the next five years for the Rick Hansen Foundation.

The Department will be working with other NGOs to review their needs over the coming year.

In September of 2004 at the First Ministers' Meeting on Health Care, our government together with our two sister territories successfully negotiated a $150 million fund over five years for the three territories to support health reform, help improve access to services and support the cost of medical travel.

The Territorial Health Access Fund gives the Yukon $4.6 million this year to support various activities.

Some of the current year's highlights include:

- $368,000 for the Palliative Care Program;
- $116,000 for Early Psychosis Intervention;
- $162,500 for the Healthier Eating (Nutrition) Program;
- $90,000 for Advanced Directives;

- $2.1 million for the Health Human Resource Strategy;
- $157,000 for Improved Tuberculosis Support;
- $129,000 for Increased Mental Health Supports at the Community Level; and
- $93,000 for Emergency Preparedness Planning.

Mr. Speaker, the total value of the Territorial Health Access Fund over five years is $21.6 million.

The Health Human Resource Strategy is of fundamental importance in ensuring the right mix, quantity and skills of health care providers as well as ensuring health care providers work effectively together.

The strategy is key in allowing our government to meet its platform commitment for the recruitment and retention of doctors and other health care professionals.

Elements of the strategy include:

- Health Professions Policy Support for addressing professional legislation, health information sharing, policies and liability issues;
- Family Physician Working Group Support, Resident Support and Incentive Program;
- Nurse Mentorship Program to increase the number of nurse mentors to prepare new nurse graduates to enter the workforce and prepare existing nurses to become ready for positions in community nursing, specialty nursing and nurse leadership;
- bursary support for professional education;
- support programs for health professional students, new grads, medical residents and a student summer placement program;
- Emergency Medical Services training to enhance the level of training to the National Primary Care Paramedic level and Advanced Care Paramedic level for ground ambulance and medivac ambulance attendants; and
- work with members of the health care community on a pilot project to establish a collaborative care medical practice.

As you can determine, Mr. Speaker, our Health Human Resource Strategy is very comprehensive and is designed to improve the health care and well-being of Yukoners.

In addition, the Department of Health and Social Services has included additional staffing in this budget to respond to increased service demands in the areas of children in care, family support services, adoption, foster care, supported independent living, adult protection, health promotion and community nursing.

Mr. Speaker, it is with considerable pride that I state all of the initiatives by the Department of Health and Social Services related to our *5 Step FASD Action Plan* have now been implemented.

Our government has devoted considerable resources over the past five years to deal with this most serious affliction and will continue our implementation plans in this and future budgets.

Mr. Speaker, community services and infrastructure are also important ingredients in achieving a better quality of life for Yukoners.

Our 2006 election platform commits our government *"to work with the federal government, First Nations and community governments to upgrade and construct high quality community infrastructure."*

The Department of Community Services is meeting that commitment throughout the territory.

A total of $9.7 million is being spent out of the Municipal Rural Infrastructure Funding Program for a variety of community projects.

Examples include:

- $477,000 to complete the Mayo Community Centre;
- $1.7 million for a small diameter piped water project with the Selkirk First Nation;
- $1.4 million for the Takhini North water and sewer project with the City of Whitehorse;
- $278,000 for BST surfacing of 2 Mile Road with the Liard First Nation;
- $5 million for the Hamilton Boulevard extension with the City of Whitehorse;
- $285,000 for the Lakeview Avenue water and sewer project with the Town of Watson Lake; and
- $415,000 for the development of water and sewer and road infrastructure with the Champagne and Aishihik First Nations.

Mr. Speaker, a further $7.3 million is being spent under the auspices of the Canadian Strategic Infrastructure Funding Program for the following initiatives:

- $1 million for the Dawson City sewage project;
- $764,000 for the Carmacks sewage treatment project;
- $1.5 million for the Carcross Waterfront project; and
- $4 million for the Whitehorse Waterfront Project.

This budget is also providing funds for other community infrastructure projects such as:

- $1.055 million to construct the Golden Horn Fire hall;
- $900,000 to complete the construction of the McClintock Army Beach water supply;
- $800,000 for BST surfacing of a second access for the Taku subdivision;
- $650,000 for BST surfacing of a second access for Carcross; and
- $792,000 to address infrastructure needs in Dawson City.

Mr. Speaker, one of the major challenges facing the Yukon and community governments today is land for residential purposes, particularly in Whitehorse, due in large measure to the Yukon's rapidly growing and expanding economy.

The City of Whitehorse and our government, however, through our Land Protocol are working hard to meet this challenge.

Funding of $6.25 million has been included in this budget for planning development of the Porter Creek Lower Bench and the Porter Creek Pine Street extension.

A further $5 million is being provided for the development of thirty lots in Grizzly Valley.

While the 2007 Canada Winter Games have been concluded, our government's platform commitment, *"Supporting Sports and Recreation,"* carries on.

The Department of Community Services has included $400,000 in this budget to prepare Team Yukon for the 2008 Arctic Winter Games in Yellowknife and is making a further $75,000 contribution to send Team Yukon to the 2008 North American Indigenous Games in Cowichan, British Columbia.

Mr. Speaker, *"Promoting Arts and Culture"* is a fundamental contributor to achieving a better quality of life for Yukoners.

It is also a 2006 platform commitment.

The 2007 Canada Winter Games afforded First Nations from across the north the opportunity to participate in a multi-disciplinary tradeshow and exposition, the Gathering of Northern Nations Tradeshow and Cultural Expo.

This highly successful initiative, supported through Culture Quest and the Department of Tourism and Culture, was led by the Yukon First Nations Tourism Association. It showcased and celebrated the diversity of northern aboriginal communities, businesses, arts, crafts, performers and culture allowing everyone who attended the opportunity to celebrate their unique culture, talents and traditional knowledge.

Culture Quest has proven to be a successful initiative.

Culture Quest was developed through the Decade of Sport and Culture as a strategic initiative with the Yukon Arts Centre managing the program on behalf of the Department of Tourism and Culture.

During the 2007 Canada Winter Games, more than half of the artistic works created from 2003 to 2007 were presented onstage or shown in Whitehorse galleries.

Visitors and Yukoners enjoyed music and song, dance and theatre, and artistic works by First Nations, youth and Yukon community participation at the games.

The next big goal is the creation of programming by northern artists for the 2010 Olympic Games in Vancouver.

The Department of Tourism and Culture recognizes the important role that arts, culture and heritage play in contributing to the social and economic life of Yukoners.

Mr. Speaker, $500,000 is again being provided in the Capital budget for the Arts Fund that supports artists and communities in creative endeavors such as festivals, events, training, touring and art creation of all forms.

A further $60,000 in the Capital budget provides support for the Arts and Craft Strategy which has been instrumental in supporting the Art Adventures on Yukon Time Studio Guide and the Yukon Buyer's Show.

Mr. Speaker, the Department of Tourism and Culture is providing another $1.5 million to support art groups and art initiatives such as the Dawson City Arts Society and Yukon Arts Centre.

This money also supports the Advanced Artists Award and the Yukon Arts Funding Program, in addition to the Artist in the School program administered by the departments of Tourism and Culture and Education, in keeping with our 2006 election platform commitment.

Our government is providing $1.1 million in this Capital budget to assist Yukon museums, interpretive, and First Nation cultural/heritage centres with operations and staffing costs.

Our government has also contributed $729,000 toward the expansion of the MacBride Museum to address programming and exhibit needs that ultimately contribute to the further development of the Whitehorse Waterfront.

In speaking of the Whitehorse Waterfront, Mr. Speaker, a report was commissioned which asked Yukoners: *What do people want to see, or not see, along the Whitehorse Waterfront?*

Thirteen consensus items were identified in the report, summarizing peoples' thoughts, concerns and wishes for best uses for the land owned by the Yukon government and the government owned heritage buildings along the waterfront.

A proposed Arts and Heritage Village is one potential component that would add to the vision of the waterfront. The government will continue working with the City of Whitehorse, Kwanlin Dun First Nation, Ta'an Kwach'an Council, private business and other stakeholders to achieve this vision.

Our government is also continuing to work cooperatively with the Kwanlin Dun First Nation government and other levels of government to enable the Kwanlin Dun to complete its proposed cultural centre on the Whitehorse Waterfront.

Mr. Speaker, $19 million from the Canadian Strategic Infrastructure Fund is being provided over three years for basic infrastructure improvements such as water, sewer, street improvements, upgrades to the Kishwoot Island Suspension Bridge and restoration or relocation of heritage buildings.

In this fiscal year, the Yukon Beringia Interpretive Centre will be entering into its tenth season of operation.

Mr. Speaker, $230,000 is being allocated for upkeep and maintenance of the facility as well as an upgrade in new requirements for lighting level and exhibit presentation as a result of the proposed addition of the Klondike horse hide.

It should be noted Mr. Speaker, that the Yukon Beringia Interpretive Centre launched a Climate Change display in 2003, well ahead of its time.

The centre is proving to be an important research and scientific mainstay for Ice Age history, especially as it relates to climate change and global conditions that impact not only our northern habitat, but humanity as well.

PROTECTING AND PRESERVING OUR ENVIRONMENT AND WILDLIFE

Mr. Speaker, the second pillar of our platform concerns protecting and preserving Yukon's environment and wildlife while studying, mitigating and adapting to the impacts of climate change.

Yukon's Climate Change Strategy has four goals:

(1) Enhance awareness and understanding of climate change impact on Yukon's environment, people and economy.

(2) Reduce greenhouse gas emissions through efficiency improvements within Yukon government programs in the short-term and additional measures related to infrastructure development in the long-term.

(3) Build Yukon environmental, social and economic systems that are able to adapt to climate change impacts and are positioned to take advantage of opportunities presented by climate change.

(4) Support efforts to establish Yukon as a northern leader of applied climate change research and innovation.

The development of a Climate Change Action Plan is currently underway and it is anticipated to be completed in 2008.

Mr. Speaker, $145,000 is being allocated in this budget for the Action Plan which will outline specific actions and initiatives our government will undertake in response to climate change. The Action Plan will benefit from broad public consultation to ensure it is relevant to Yukoners.

In February, I met with the federal Minister of Environment, the Honourable John Baird, as well as with the Minister of Indian Affairs and Northern Development, the Honourable Jim Prentice, in Ottawa to talk about the impact of climate change on the territory and to point out that the federal government's approach must also include adaptation initiatives.

Our government is seeking federal government support to develop the Climate Change Research Centre of Excellence at Yukon College, as well as the Cold Climate Technology and Innovation Cluster.

Work has begun on establishing the Climate Change Research Centre of Excellence. A group of Deputy Ministers will oversee an in-house assessment and gap analysis of areas and opportunities for coordination in support of the Centre of Excellence.

This assessment and gap analysis will help determine the focus of our government's next steps forward.

Mr. Speaker, on March 20, 2007, our government in conjunction with the federal Minister of Environment announced $5 million in funding for the Yukon as part of a trust fund set up by the federal government to support provincial and territorial projects that help reduce greenhouse gas emissions and air pollutants.

Our government will be utilizing this $5 million to install a third hydro turbine at the Aishihik hydroelectric plant in southwestern Yukon.

It is estimated that this project will reduce Yukon's annual greenhouse gas emissions by 3,800 tonnes by decreasing the territory's reliance on diesel generated electrical energy that would otherwise be required during peak demand times.

Also, Mr. Speaker, on April 3, 2007, our government announced that it will allocate up to $10 million in funding for Stage One of the Carmacks – Stewart Transmission Project from Carmacks to Pelly Crossing.

Our government is committed to the long-term efficiency and reliability of the territory's hydroelectric system as part of our Climate Change Strategy.

Stage One of the Carmacks-Stewart Transmission project will reduce greenhouse gas emissions by up to 24,100 tonnes per year and more, if a second mine goes into production in the Carmacks area. It will also end Pelly Crossing's reliance on diesel-generated electricity.

On March 22, 2007, the Department of Environment hosted the first-ever Yukon Annual Environmental Forum with over 180 delegates and presenters from around the Yukon.

A major goal of the forum was to bring people together from various interests to discuss how Yukon fish, wildlife and environmental data collection can be improved for sound natural resource management.

Sound decisions on land use planning and development require up-to-date information on fish and wildlife populations and the availability of suitable habitat.

Increased monitoring, data collection and research on the impacts of climate change on wildlife species was a major environmental commitment in our 2006 election platform.

Mr. Speaker, our government is allocating $1.285 million in this budget to meet that commitment, as part of an ongoing program and multi-year plan.

The Porcupine Caribou Herd is of special concern and the Department of Environment will be working with our partners, the Porcupine Caribou Management Board, affected First Nations, the Government of the Northwest Territories, Canada and the State of Alaska, to develop an inter-jurisdictional harvest management plan to address the conservation needs of the herd.

The Department of Environment is currently conducting surveys to identify new key areas in the Peel River Watershed Planning Region for sheep and moose winter range areas and improving our knowledge of the Hart River Caribou Herd winter range.

The Nacho Nyak Dun, Tr'ondek Hwech'in and Tetlit Gwich'in First Nations are assisting with these surveys.

Digital maps of nest location sites for raptors, eagles, peregrine falcons, gyrfalcons, and osprey are also being updated and added to our database.

In keeping with our land claim commitments, our government will be approaching affected First Nations to start the management planning process for new territorial parks created under recently settled land claims, namely Agay Mene and Kusawa Lake.

The Yukon public will also be asked to participate in the planning process for these new territorial parks which will start in this fiscal year.

At the same time, Mr. Speaker, our government will be expanding our *"Celebrating Yukon Parks"* program in 2007-2008 to raise the profile and public awareness of Yukon Territorial Parks for residents and visitors alike.

This initiative will expand the public outreach component of the program by partnering with Yukon Tourism Visitor Information Centres across the territory and in Whitehorse in the delivery of interpretive program information presented by uniformed seasonal Parks Branch staff.

Other program materials will be produced to promote public understanding and appreciation of parks and protected areas such as posters, slide show/DVD presentations and a series of campfire interpretive talks.

Mr. Speaker, $75,000 is being allocated in this budget for the "Celebrating Yukon Parks" initiative and it is being coordinated with Yukon Tourism's "Larger than Life" marketing initiative.

The Department of Environment is working with the Yukon Outfitters' Association and the Teslin Tlingit Council to develop a new initiative to train Yukon residents in big game guiding and horse wrangling.

The program is designed around an apprenticeship style format and is intended to provide the industry with a pool of trained individuals while encouraging more Yukoners to become involved in big game guiding.

Mr. Speaker, $105,000 is being provided under the Northern Strategy Fund for this new initiative.

Building on the success of the past, the Department of Environment is expanding its Yukon Parks Officer Program to ensure that our government campgrounds are indeed family oriented places that are secure and enjoyable.

Mr. Speaker, $330,000 is being provided in this budget to expand this program in keeping with our 2006 election platform commitment.

Another platform commitment is to support recycling.

Nine government departments are participating in a Corporate Shredding and Recycling Pilot Project aimed at reducing the amount of paper burned or sent to the landfill.

Confidential material in locked bins is taken for processing through an industrial shredder by Yukon government employees hired through the Training and Work Experience Program for people with disabilities.

The processed material is taken to Raven Recycling and approximately 30 tonnes of material have been processed since October of 2006.

This project which also contributes to the government's commitment to reduce greenhouse gas emissions employs two people with disabilities, with two on-call staff as back up.

The Department of Energy, Mines and Resources delivers a broad range of energy efficiency and renewable energy programs through the Energy Solutions Centre including programs like "Project Porchlight" and the washing machine rebate program.

PROMOTING A STRONG, DIVERSIFIED PRIVATE-SECTOR ECONOMY

Mr. Speaker, the third pillar of our 2006 election platform is to promote a strong, diversified private-sector economy.

Recent statistics speak for themselves as to how well the Yukon economy is doing.

Yukon's population is continuing to grow while our unemployment rate is continuing to fall.

In February, Yukon's unemployment rate stood at 3.2 percent, the lowest in Canada.

In December of 2006, Yukon's unemployment rate was as low as 2.5 percent.

These rates are historic lows never experienced before in Yukon.

In the past five years, mining exploration in Yukon has increased ten-fold – from $8 million in 2002, when our government first took office, to over $80 million in 2006.

The future for mining in the Yukon looks even brighter.

When total exploration and development expenditures for 2006-2007 are tallied up, they could surpass a quarter of a billion dollars.

In a very short time, Yukon's mining industry has turned around in a very big way.

In the latest Fraser Institute survey of jurisdictions in the world considered to be the most attractive for mining investment, Yukon rose to 11th place from 21st last year.

When we first took office in 2002, Yukon was rated 41st.

Our job as government is to ensure that the Yukon's investment climate for minerals remains competitive.

We are meeting this task in various ways by:

- working with the Yukon Minerals Advisory Board;
- providing project facilitators to assist major mining projects as needed;
- identifying ways for Yukon to provide production-focused incentives to the mineral industry; and
- via the Yukon Geological survey, ensuring that the Yukon's geoscience database and the overall knowledge and awareness of our non-renewable resource potential are second to none in Canada.

Mining and tourism remain the economic mainstays of the Yukon economy while placer mining remains the backbone of the mining industry.

Mr. Speaker, our government is allocating $480,000 in this budget to fund the final year of the Placer Secretariat so that the implementation of the new placer regime for the Yukon can be completed.

A further $170,000 is being provided in this budget for ongoing monitoring and inspections of the new placer regime by Client Services and Inspections.

While mining and tourism are going to continue to be the major strengths of the Yukon economy over the course of the next two decades, other sectors such as oil and gas, forestry, value-added manufacturing, film and sound, cultural and knowledge-based industries will all help diversify the economy.

To this end, the Department of Energy, Mines and Resources is currently identifying the economic opportunities created from the forest management planning efforts in Haines Junction, Teslin, Watson Lake and Dawson City by concluding the Request for Proposal process for salvage wood in southwest Yukon, and getting a new sustainable harvest limit for timber in Teslin and southeast Yukon.

The department has also supported the formation of the Yukon Wood Products Association to help provide input to our government on forest policy legislation and operational issues as well as creating a forum in which we can work with industry in developing and promoting a wood products industry that is appropriate to the territory.

Similarly, the department is completing the 2007 Request for Posting and is proceeding with a call for bids for oil and gas exploration in northern Yukon.

The Department of Energy, Mines and Resources is also responsible for the development of Yukon's energy resources.

In addition to advancing the Yukon Energy Framework Strategy, our government will also be updating and modernizing the governance model for the Yukon Development Corporation and the Yukon Energy Corporation in keeping with our platform commitment.

Tourism has been, is and will continue to be one of the key strategic industries driving the future major expansion of the Yukon economy.

We will continue to focus on international travelers seeking to experience Yukon's breathtaking wilderness and northern cultures. Further, if we are successful in our marketing campaigns, more and more southern Canadians will want to experience what the North has to offer as well.

"Marketing Destination Yukon" is highlighted in our 2006 election platform.

We made a commitment to market the Yukon as a quality travel destination through general awareness campaigns, especially in relation to Yukon's traditional markets in the United States, Canada and Europe.

We made a commitment to work with industry, communities and First Nations to implement the new Yukon Tourism Brand that promotes Yukon as an attractive year-round destination.

Mr. Speaker, the Department of Tourism and Culture is meeting these commitments head on.

The Tourism Co-operative Marketing Fund provides direct funding to encourage market-ready tourism businesses, First Nations, municipalities, organizations and partnerships in the promotion of Yukon's tourism product.

Mr. Speaker, $350,000 is being allocated for marketing projects administered by the department, and $150,000 is being provided for trade and consumer shows administered by the Tourism Industry Association of Yukon.

This fund, first initiated by our government in 2004, leverages matching dollars from the tourism industry. This means that approximately $1 million is being invested in marketing Yukon through tourism product from across the territory targeted at prospective visitors at the national and international levels.

The department is continuing to implement its *"Larger than Life"* Tourism Brand with $100,000 in this budget for highway signs, photography and the development of new templates and graphic standards for multiple communication mediums.

Other Yukon government departments are also embracing the Yukon Tourism Brand for recruitment and promotional programs.

Trade shows and marketing campaigns help us market Yukon to the outside world.

The displays that are taken to these events showcase Yukon to an audience that is looking for something different, something unique, something that is *Larger than Life.*

On February 15, 2007, the three territories as part of the Canada Winter Games launched a $5 million national *"look Up north"* marketing campaign designed to promote and celebrate Canada's north as a great place to visit, to invest and to live.

The marketing campaign is a joint initiative involving the departments of Tourism and Culture and Economic Development and includes promotional spots for national television and movie theatres, along with print advertising and magazine supplements.

A new website, www.lookUpnorth.ca was created to support online advertising and to centrally manage interest generated by the campaign.

On April 10, 2007, I and my two fellow Premiers, Premier Handley of the Northwest Territories and Premier Okalik of Nunavut, hosted a *"Tourism Wonder"* event at Toronto's Design Exchange.

A select audience was invited to explore the territories as a tourist destination through contemporary and traditional performances, authentic northern cuisine, and vignettes to illustrate the beauty of the Northern experience.

Mr. Speaker, $400,000 is being allocated in this budget to further leverage the promotion of Yukon to southern Canada and continue the awareness campaign.

The Northwest Territories and Nunavut have confirmed that they wish to continue additional pan-northern marketing campaigns post Canada Winter Games because of the success the National Marketing Campaign has already had.

Our government plans to continue to utilize the pan-northern collaborative approach with the Northwest Territories and Nunavut in order to develop a new comprehensive Tourism Marketing Agreement with the Government of Canada that showcases the North to southern Canadians and the global community.

We believe that one of the greatest legacies of the 2007 Canada Winter Games will be increased tourism visitation and economic investment in the territory for years to come.

Mr. Speaker, in speaking of sports and tourism, I believe it is appropriate here to acknowledge the good work of the Yukon Convention Bureau in delivering sport tourism assistance to organizations bidding on regional and national competitions.

Through the Decade of Sport and Culture, the Department of Tourism and Culture has provided funding to the Yukon Convention Bureau yearly since 2003 and assisted with the test events held in and around Whitehorse leading up to the Canada Winter Games.

The department also provides $200,000 to the Yukon Convention Bureau for cooperative marketing initiatives.

Tourism Yukon is developing an Interactive Strategy to address the growing use of web site and electronic marketing by tourism worldwide.

Outcrop Yukon, a local agency, was successful in winning the $650,000 contract over the next two and a half years to develop and implement the Interactive Strategy including a new "www.travelyukon.com" to be launched later this fall.

Rubber tire traffic from the lower 48 states and southern Canada continues to provide the lion's share of Yukon's tourism traffic.

The Yukon Scenic Drives Initiative that commenced in 2004 is designed to continue attracting this important rubber tire market.

Four Yukon highways, the Alaska Highway, the Klondike-Kluane Loop, the Golden Circle Route and the Silver Trail, are all currently on the website.

The Dempster Highway, the Campbell-Canol Route, and Southern Lakes will be added this spring.

An electronic marketing campaign and production of a direct mail-out piece promoting the Yukon Scenic Drives Initiative to potential visitors will also accompany the web component.

Mr. Speaker, $400,000 is being allocated in this budget to support the Scenic Drives Initiative.

In 2007, Phase One of a multi-year project will see the construction of a new $1.811 million Tombstone Visitor Reception Centre which will lead the way for making this site one of the premier park and tourism facilities in the Yukon.

The Department of Highways and Public Works and Department of Environment are working with the Tr'ondek Hwech'in First Nation to construct the new centre.

In addition to providing construction jobs, this initiative will also generate seasonal positions to operate the centre and create park access opportunities for tourism operators in conjunction with the Tr'ondek Hwech'in First Nation.

The buildings will be constructed to the Leadership for Energy and Environmental Design or LEED certified standard in accordance with our government's Climate Change Strategy, showing how environmental best practices can work in harmony with this very special geographical area of the Yukon.

Airline service is also of particular importance in our government's efforts to market destination Yukon.

Accordingly, the Department of Tourism and Culture has developed partnerships with Air North and Air Canada.

Air Canada continues its commitment to providing affordable one-way fares to Whitehorse and other western Canadian destinations to facilitate fly-drive programs.

Air North, Yukon's airline, plays an important role in Yukon tourism with its nine weekly flights to Vancouver and three flights weekly to Calgary and Edmonton.

These Air North flights help promote the Gateways Cities Program in Calgary, Edmonton and Vancouver.

Yukon also boasts international airline service with direct flights from Frankfurt, Germany to Whitehorse by Condor Airlines.

It is estimated that Condor Airlines injects $7 million annually into Yukon's economy.

The airline is planning to extend its 2007 tourism season from May 8th to October 29th.

Mr. Speaker, if the Yukon economy is going to continue to grow, our government must make significant investments in transportation, communication and energy infrastructure as well as information technology.

Condor Airlines is a case in point.

The airline has indicated to us that it is interested in exploring the potential for even further growth should the Whitehorse airport facility expansion be completed.

The Department of Highways and Public Works is providing a temporary in-transit lounge at the Whitehorse Airport this spring, thus enabling Condor to meet security requirements for the Frankfurt-Whitehorse-Alaska schedule.

Mr. Speaker, $6 million is being provided in this budget to construct an addition to the Whitehorse terminal building in order to accommodate federal Customs security requirements and to provide an in-transit lounge for international flights. Public waiting and commercial areas will also be increased.

A further $3.2 million is being provided to complete phase two of the Whitehorse Airport parking lot improvement project to improve access to the main terminal building and construct new paved parking stalls for the public and commercial businesses.

Similarly, if Yukon wishes to promote increased tourism rubber tire traffic, we must continue to upgrade our highways network and bridge infrastructure.

The Yukon has been blessed in this regard by the continuation of the Shakwak Project which allows the upgrading of the north Alaska Highway with 100 percent recoverable funds from the Government of the United States.

Mr. Speaker, $10 million is being provided in 2007 for road construction along the south shore of Kluane Lake near Sheep Mountain from km 1700 to 1707.

Other Shakwak projects include the following:

- $7.15 million to complete the replacement of the Donjek River Bridge at km 1822 and remove the old bridge structure;
- $1 million for design work to replace the Slims and Duke River Bridges at km 1705 and 1768 of the Alaska Highway;
- $3 million to begin a two-year construction project to replace the Duke River Bridge at km 1768 near Burwash Landing;
- $6 million for paving to replace the deteriorating sections of the BST surface along the Haines Highway between km 174 and 192 as well as access and intersection improvements through the Village of Haines Junction; and
- $1.1 million for BST and re-vegetation for the section of reconstructed highway between km 1692 to 1700.

The Canadian Strategic Infrastructure Fund enables our government to upgrade the southern portion of the Alaska Highway with fifty percent recoverable funds from the Government of Canada.

Mr. Speaker, $6.235 million is being allocated to widen and strengthen the Teslin River Bridge at Johnson's Crossing.

Completion of a new deck is part of Highways and Public Work's ongoing bridge asset management program and this project will deliver a fully rehabilitated structure that will be in service for the foreseeable future.

A further $500,000 is being provided to complete the design for the replacement of the Lewes (Yukon) River Bridge deck at km 1939.

Reconstruction is planned to begin late in 2007 with completion scheduled for 2008.

Other highway improvements include:

- $1.3 million for production and application of gravel for the Dempster Highway to improve the road surface;
- $600,000 to complete reconstruction of the Atlin Road from km 1 to 6 with BST, the installation of guardrails, re-vegetation of the right of way and replacement of the boat launch at Little Atlin Lake; and
- $875,000 for improvements to the South Robert Campbell Highway with the application of BST to reconstructed sections and some culvert replacements.

Mr. Speaker, our government is also allocating $6.5 million in this fiscal year for Information Technology initiatives across the government which represents an increase of $680,000 over the previous fiscal year.

For the last three years, an average of $5.8 million has been budgeted annually for new computers, servers, network equipment and applications that support the many programs and services delivered by government.

The additional funds recognize our increasing reliance on technology and the growth of our IT assets, and will provide additional economic opportunities for the expanding Yukon IT sector.

Mr. Speaker, the Department of Economic Development is also supporting the long-term development of Yukon's economy with funding for economic infrastructure initiatives.

Projects like the Alaska-Canada Rail Link Pre-Feasibility Study and the Ports Access Study will provide enough objective and quantified information to enable public and private sector investors to take a serious look at developing additional infrastructure in Yukon.

Our government continues to support analysis of major infrastructure initiatives including transportation, energy and telecommunications with an allocation of $800,000 included in this budget.

The Department of Economic Development, through its business funds implemented in 2004-2005 and its Film and Sound Incentive Programs, has contributed to the continued growth of the business sector.

To date, the department has approved the following amounts:

- Enterprise Trade Fund: 177 projects for a total of $1.3 million with $600,000 being allocated for 2007-2008;
- Regional Economic Development: 42 projects for a total of $756,000 with a 2007-2008 allocation of $450,000;
- Strategic Industries Development Fund: 54 projects for a total of $2.639 million with an allocation of $1 million for 2007-2008; and
- Film and Sound Incentive Programs: 105 projects for a total of $1.482 million with $765,000 being allocated in 2007-2008.

On April 04, 2007, the department announced that it will be increasing the maximum applicant eligibility and the Yukon Filmmakers Fund from $5,000 to $8,000 to further support increasing Yukon filmmakers' skills and fostering the development and marketability of their projects.

The Department of Economic Development also administers the ever popular Community Development Fund (CDF).

CDF continues to assist community groups to undertake projects that improve community health and well-being and strengthen local economies by creating employment and improving infrastructure.

Mr. Speaker, in keeping with our 2006 election platform commitment to maintain CDF, $3.312 million is being provided in this fiscal year.

PRACTISING GOOD GOVERNMENT

Mr. Speaker, the fourth pillar of our 2006 election platform is one of the most important.

It concerns practicing good government and includes our vision of Yukon coming of age through effective leadership, political stability, cooperative governance and strong fiscal management.

With respect to fiscal management, it is important to note that the Auditor General of Canada has given the Public Accounts of the Government of Yukon a clean bill of health for four consecutive years.

This is a significant tribute to the fiscal management of our officials in the Department of Finance and in fact for all of our departmental officials.

Mr. Speaker, our government is blessed by having a highly dedicated, professional public service.

We believe it is the best in Canada and we want to keep it that way.

That is why our government is committing $1.382 million annually to support our Investing in Public Service initiative that provides a range of programs dealing with professional and technical development, knowledge transfer between older and younger employees, workplace health and safety, orientation, recruitment modernization, work/life balance, employee recognition and accommodation for employees with disabling conditions.

The Public Service Commission has also developed an 18-month Yukon Government Leadership Forum program to prepare current and future senior managers to deal with contemporary leadership issues within the Yukon government.

This program is both a professional development and succession planning opportunity.

All of these initiatives are designed to support the government goal to be an attractive employer to current and new workers in order to provide high quality service to the public.

Mr. Speaker, our style of governing sets us apart from previous Yukon governments.

We practice cooperative governance and form partnerships.

The Department of Community Services supports the orderly establishment and operation of effective local governments.

On April 05, 2007, our government initiated a review to examine funding for local community governments in relation to the delivery of their programs and services responsibilities.

The purpose of the funding review is to work with the Association of Yukon Communities to consider real-world fiscal demands they presently have related to the programs and services they provide to their citizens, and to identify possible areas of improvement.

Our 2006 election platform commits our government to work with Yukon First Nations to:

- promote cooperative governance based on mutual respect of each others' jurisdiction;
- utilize the Yukon Forum to implement such major initiatives as the Northern Strategy, the Targeted Investment Program, the Northern Housing Trust, the Children's Act Review, the Corrections Action Plan and Education Reform;
- re-establish the Intergovernmental Forum with the Department of Indian Affairs and Northern Development;
- make First Nations full partners in the economic development of the territory for the mutual benefit of all Yukoners; and
- assist First Nation governments in capacity development.

Mr. Speaker, our government is making progress on all fronts in meeting these commitments.

In governance liaison and capacity development, for example, the Executive Council Office is allocating $324,000 in Operations and Maintenance and $290,000 in Capital for the creation of a new program that will lead to the development and implementation of a capacity development strategy in cooperation with First Nations and support other activities to strengthen cooperative governance in Yukon.

In our first mandate we established the Yukon Forum in law.

The Yukon Forum enables the Government of Yukon to sit down with the 14 Yukon First Nation governments to deal with matters of mutual interest and of significant benefit to the territory.

For example, at the Yukon Forum held in December 2006 the Government of Yukon and the 14 First Nation governments continued their partnership by approving 17 projects under the first round of the Northern Strategy, valued at $9.34 million from the $40 million fund. Some of these projects include:

- $193,438 to undertake community-based research related to ice patch discoveries, involving six Yukon First Nations;
- $347,985 to conduct community-based education and discussion forums to help Yukon First Nations implement policies on the management of Traditional Knowledge, pursuant to the Traditional Knowledge Policy Framework developed by the Yukon First Nation Heritage Group;
- $235,603 to build capacity in Old Crow and three other rural communities to provide emergency medical services;
- $136,500 to study the feasibility of a Yukon First Nations Regional Healing and Wellness Centre;
- $450,000 to develop a First Nations Tourism Strategy and associated Business Support Program to develop tourism as part of First Nations' overall economic development strategies;
- $1 million to construct forestry mainline roads in Champagne and Aishihik traditional territory;

- $400,000 to cooperatively develop recreational and residential lots on both Teslin Tlingit Council settlement land and Yukon government Crown land; and
- $1.875 million for community-based heavy equipment operation and road maintenance training.

At the same forum, our respective governments also agreed that Yukon's $50 million share of the Northern Housing Trust would be allocated by having $32.5 million going to Yukon First Nation governments and $17.5 million to the Yukon government.

Our government is also supportive of First Nation governance and capacity development.

Mr. Speaker, included in this budget is $100,000 for the Yukon Forum and $7.382 million in funding to support the implementation of First Nation Final and Self-Government Agreements.

At the same time, the Public Service Commission is providing $300,000 to fund five new positions in the First Nations Training Corps.

The First Nations Training Corps which operates within the Public Service Commission's Workplace Diversity Employment Office, supports our government's land claim and employment equity commitments by contributing to making the Yukon public service representative of the people it serves.

As stated earlier, our 2006 platform contains a commitment to work with First Nations to re-establish the Intergovernmental Forum with the Department of Indian Affairs and Northern Development.

This forum enables the Yukon Government and the Yukon First Nation governments to sit down with the Minister of DIAND in a manner similar to the Yukon Forum.

At a meeting in Ottawa with the DIAND Minister, the Honourable Jim Prentice, he agreed to re-establish the Intergovernmental Forum and a meeting will be scheduled for this summer.

Mr. Speaker, our list of accomplishments in making Yukon First Nations full partners in the economic development of the territory is extensive and includes the following:

- ongoing support for the Aboriginal Pipeline Coalition;
- successful collaboration with the Selkirk First Nation on the Minto Mine development;
- working with First Nations in Teslin, Watson Lake, Ross River, Dawson City and Haines Junction to complete and implement Strategic Forest Management Plans; and
- working cooperatively through partnerships with First Nations to develop closure plans for abandoned Type II mine sites such as Faro and Mt. Nansen.

On April 13, 2007, our government announced its commitment to provide $850,000 towards the development of a new Youth-Elder Activity Centre in cooperation with the Kluane First Nation at Burwash Landing.

The new facility will provide a modern year-round venue for a variety of community activities, as well as other programs and will be the largest indoor gathering place along the northern portion of the Alaska Highway.

Mr. Speaker, it is important to note that these initiatives are all over and above the numerous projects being undertaken under the Northern Strategy and the Northern Housing Trust.

Our pan-northern approach with our two sister territories has provided major benefits to all three territories in areas such as health funding, sovereignty and security, Territorial Formula Financing and, of course, the recent 2007 Canada Winter Games.

In November 2006, the three territories renewed the Northern Cooperation Accord in Iqaluit replacing the original accord signed in Nunavut in 2003.

On March 19th all three northern Premiers were invited by the federal Finance Minister, the Honourable Jim Flaherty, to hear the good news that the Territorial Formula Financing agreements discontinued by the previous federal government in 2004 have been restored to a principles-based formula that will meet the needs of the north, together with a $25-million annual infrastructure fund for the next 7 years.

The new Territorial Formula Financing arrangements are based primarily on the recommendations of the federal Expert Panel on Equalization and Territorial Funding Formula and the joint territorial submission to the Expert Panel.

These new arrangements include three separate and independent territorial grants, an expenditure base that reflects fiscal needs and a meaningful escalator incorporating both growth in population and in provincial/local government expenditures.

Moreover, Mr. Speaker, these arrangements reflect a gap-filling concept that integrates territorial revenues based on the representative tax system while providing comprehensive revenue coverage and an explicit economic development incentive.

Mr. Speaker, I cannot overstate how important this new Territorial Funding Formula arrangement is for the Yukon.

It is perhaps the most important achievement of our government to date.

The outcomes of such an agreement for Yukon include increased funding and a design logic that will promote long-term and sustained fiscal stability for the territory in the future.

I want to thank all those Department of Finance officials who worked so hard on this most important issue since 2004. We owe you a tremendous debt of gratitude.

Our government also has a very close working relationship with Alaska, Alberta and British Columbia.

In January, a delegation of Yukon government Ministers met with their Alaskan counterparts to renew the positive working relationship with Governor Sarah Palin's new administration.

Topics for discussion included large infrastructure projects, such as the Alaska Highway Natural Gas Pipeline, the Alaska-Canadian Rail Link Pre-feasibility Study and Port Access Strategy Study.

Discussions were also held on tourism partnerships and the renewal of the Alaska-Yukon Intergovernmental Relations Accord.

On March 1st, I had a similar meeting with the new Premier of Alberta, Ed Stelmach, who has replaced Yukon's good friend, Premier Ralph Klein.

Once again, the meeting was designed to carry on the positive working relationship Yukon and Alberta have developed over the years.

CONCLUSION

In closing, Mr. Speaker, the 2007-2008 budget is the first budget in our current five-year mandate.

We are proud of this budget and all the good work it will do.

This budget is our first installment in meeting the commitments outlined in our 2006 election platform, "Build Yukon's Future Together – A Clear Vision for a Bright Future."

Mr. Speaker, I believe a majority of Yukoners will say that we are off to a very good start in fulfilling the vision we offered to Yukoners on October 10, 2006.

This budget is the product of many hands and we wish to thank all the departmental officials who worked so hard to put it together.

Mr. Speaker, I want to pay special tribute to several senior officials who have retired or who are currently in the process of retiring after having served this territory for several decades:

- Mr. Patrick Michael, Clerk of the Yukon Legislative Assembly;
- Mr. Bruce McLennan, the Deputy Minister of Finance;
- Mr. Gordon McDevitt, the Deputy Minister of Education;
- Ms. Noreen McGowan, Assistant Deputy Minister of Justice; and
- Mr. J.P. Flament, Director of Intergovernmental Relations.

These individuals served above and beyond the call of duty and this territory owes them all a debt of gratitude for their decades of public service.

Mr. Speaker, I commend the 2007-2008 Budget to all members of the House for their consideration.